

Northeast Workforce Investment Area RETAIL TRADE ANALYSIS

Retail Pull Factors

Retail trade is the sale and distribution of merchandise to consumers through either a store location or non-store location such as internet, phone, catalog or advertising.

Retail trade is one of the key economic indicators of regional economies. The retail strength of a county is a function of customer base served, the buying power of the customer base and quality of the retail environment. Retail pull factor measures the retail sales captured by a county across Missouri.

In 2007, all the 16 counties had a pull factor below 1 indicating residents either spent less than their state counterparts or residents purchased more goods outside their county.

Retail Trade Sectors

- Apparel and Accessories
- Automotive dealers
- Gasoline service stations
- Building materials,
- Hardware and garden supplies
- Eating and Drinking Places
- Home furniture and furnishings
- Food
- General Merchandise
- Miscellaneous retail

Retail Industry Facts

Employment

10,911

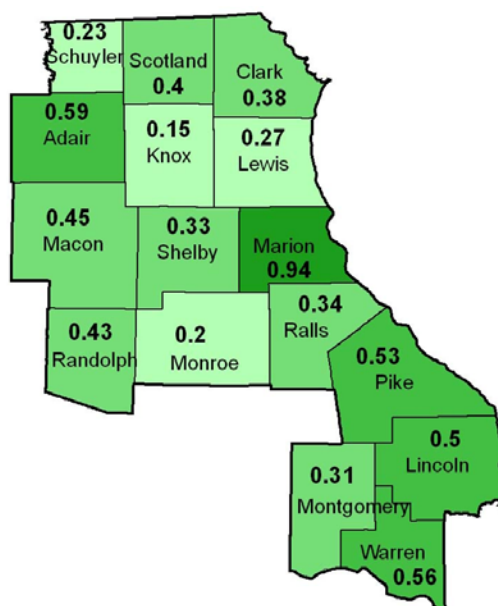
Number of Industries

880

Average Wage

\$19,488

2007 Retail Trade Pull Factor



RETAIL TRADE ANALYSIS

Retail trade has been inadequate in the Northeast region. None of the counties have a retail trade pull factor greater than one indicating that counties lost retail customers or retail expenditure was less than the state average. Marion County had the highest pull factor (0.94), followed by Adair (0.59) and Warren (0.56). Knox County had the lowest pull factor (0.15), followed by Monroe (0.20) and Schuyler (0.23).

Marion County captured the most retail sales and held the highest market share in the Northeast region. Overall, retail customers in the Northeast region spent nearly \$1 billion on retail goods and services, capturing 2.21% of the market share in Missouri. The retail sales rankings for the counties in the Northeast region are as follows:

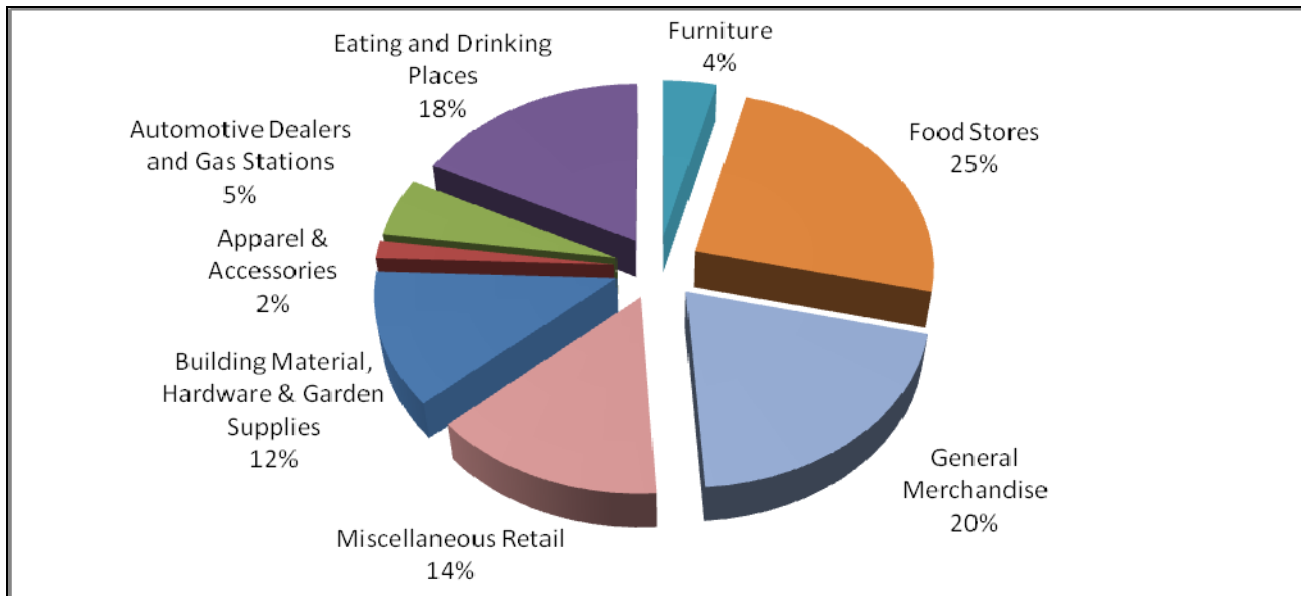
Retail Sales, Pull Factor, Trade Area Capture (TAC) and Market Share (MS) – Northeast WIA Region, 2007

County	CTPF	TAC	MS	Retail Sales
MARION	0.94	25,841	0.45%	\$201,546,221
ADAIR	0.59	14,325	0.25%	\$111,727,052
WARREN	0.56	16,909	0.29%	\$131,879,962
PIKE	0.53	8,614	0.15%	\$67,183,716
LINCOLN	0.50	25,674	0.44%	\$200,243,480
MACON	0.45	6,810	0.12%	\$53,110,211
RANDOLPH	0.43	10,172	0.18%	\$79,333,261
SCOTLAND	0.40	1,888	0.03%	\$14,727,520
CLARK	0.38	2,662	0.05%	\$20,763,671
RALLS	0.34	3,330	0.06%	\$25,968,907
SHELBY	0.33	2,107	0.04%	\$16,432,997
MONTGOMERY	0.31	3,633	0.06%	\$28,335,846
LEWIS	0.27	2,669	0.05%	\$20,817,889
SCHUYLER	0.23	942	0.02%	\$7,345,515
MONROE	0.20	1,827	0.03%	\$14,246,057
KNOX	0.15	592	0.01%	\$4,614,492
Northeast WIA Total		127,995	2.21%	\$998,276,795

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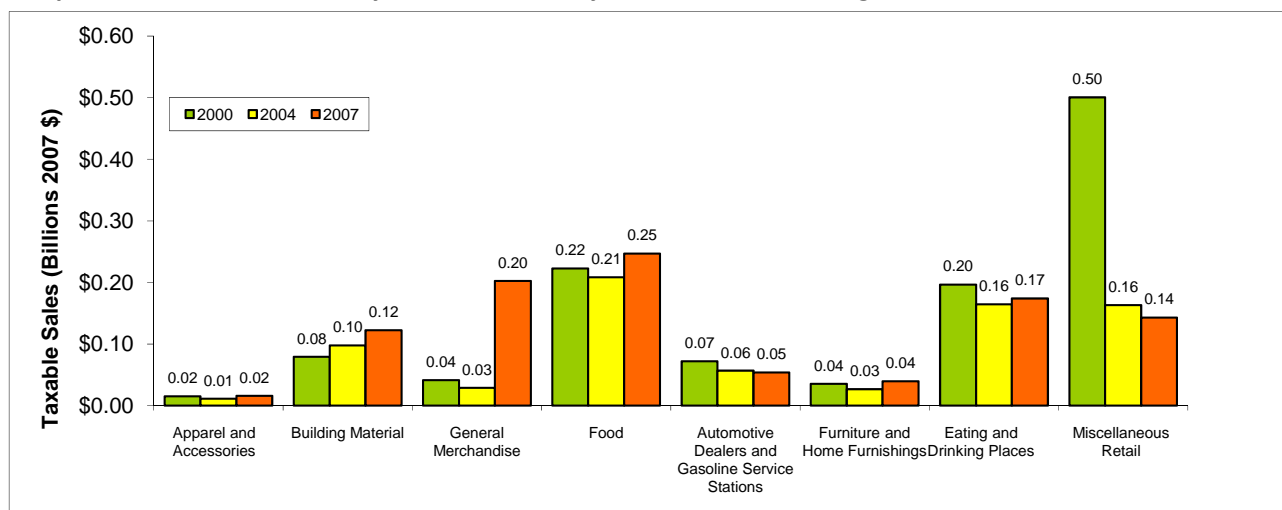
In 2007, in terms of percentage of retail sales by industry, a majority of retail sales were generated in the food stores (25%), followed by general merchandise (20%), eating and drinking places (18%), miscellaneous retail (14%) and building materials (12%). Automotive dealers, apparel and furniture accounted for the balance of retail sales (11%) in the Northeast region.

Percent Retail Sales in Northeast WIA Region by Detailed Industry, 2007



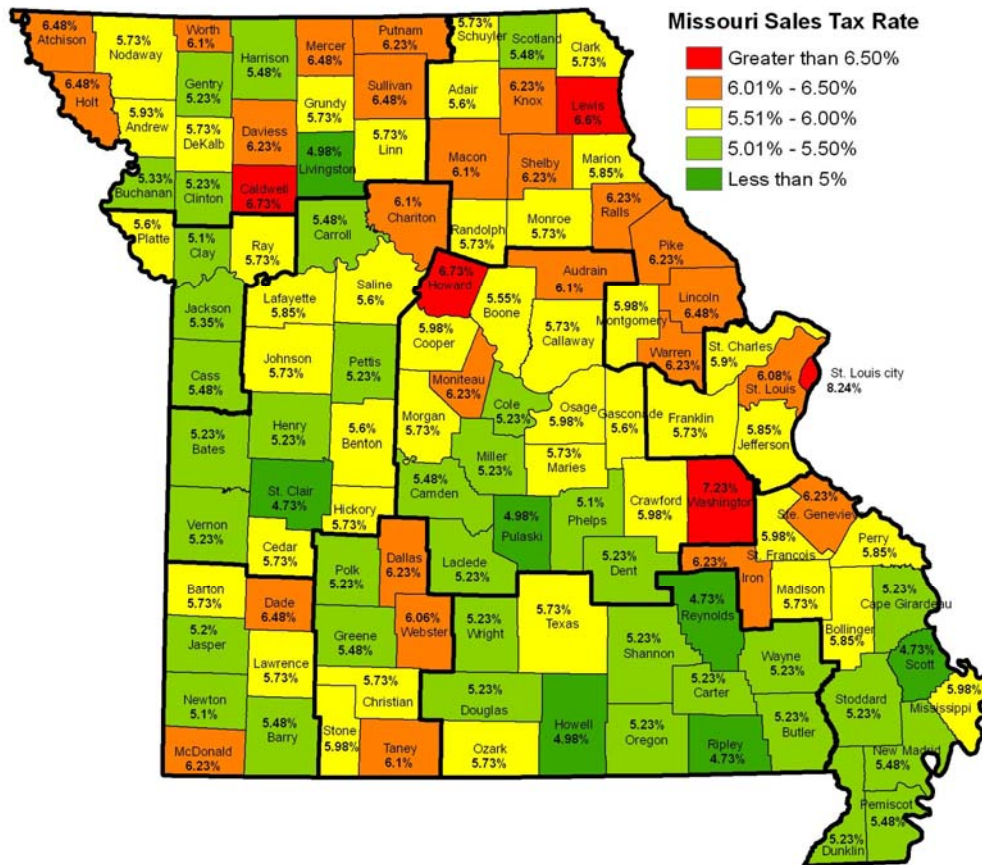
In terms of retail sales trends, the greatest increase in seven years was in general merchandise, and the steepest decline was in miscellaneous retail sectors. Consumer spending on apparel and furniture stayed roughly the same. Expenditure on building materials and food increased over the years. Retail expenditure on automobiles and food away from home declined.

Comparison of Taxable Sales by Detailed Industry in Northeast WIA Region, 2000, 2004 and 2007



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Missouri Sales Tax Rates



The map above presents the combined County and State sales tax rates excluding any local sales taxes. Sales tax rates in Missouri range from 4.73% to 8.24%. Within the Northeast region, Lewis County has the highest sales tax rate (6.60%), followed by Lincoln (6.48%) and Warren (6.23%).

On the contrary, Scotland County has the lowest sales tax rate (5.48%), followed by Adair (5.60%) and Clark (5.73%).

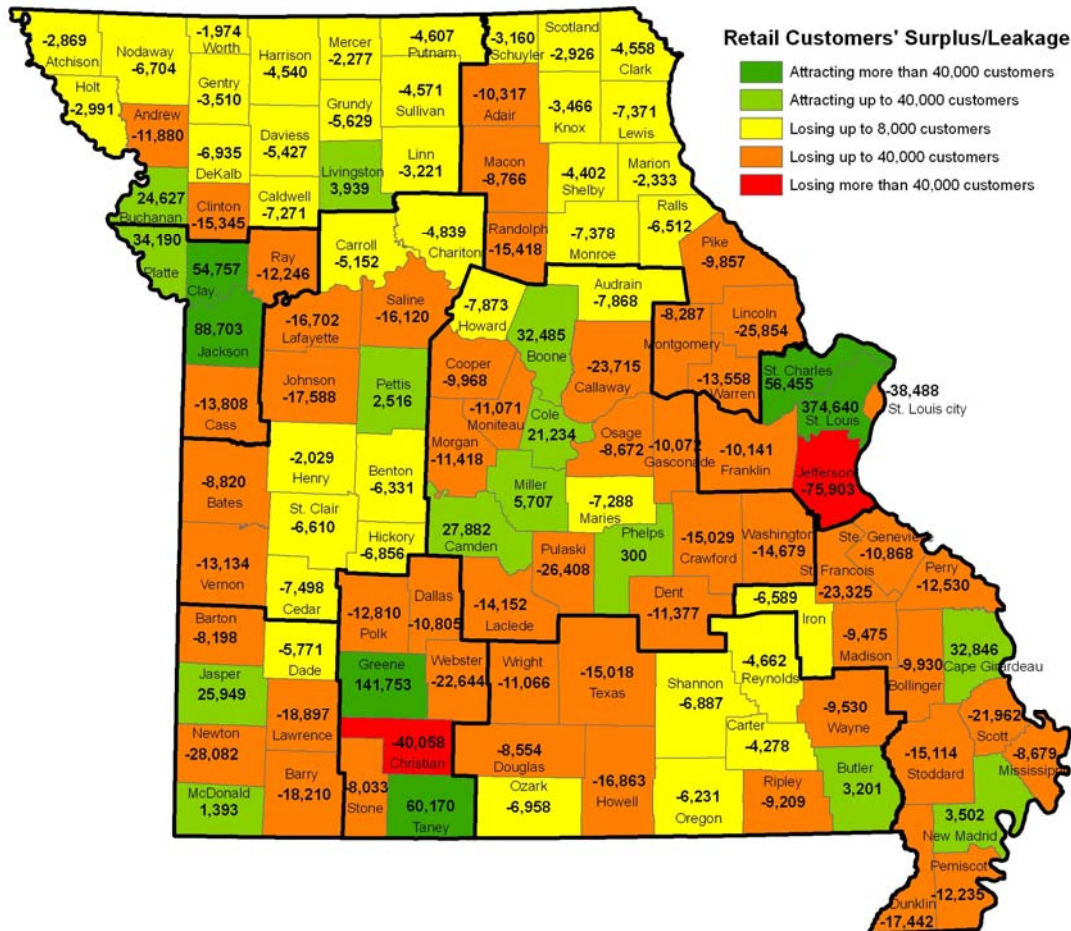
The average sales tax rate for Missouri is 5.72%. 14 counties in the Northeast region have a retail sales tax rate above the state average and two counties have a sales tax rate below the state average.

COUNTY	SALES TAX
LEWIS	6.60%
LINCOLN	6.48%
WARREN	6.23%
SHELBY	6.23%
RALLS	6.23%
PIKE	6.23%
KNOX	6.23%
MACON	6.10%
MONTGOMERY	5.98%
MARION	5.85%
SCHUYLER	5.73%
RANDOLPH	5.73%
MONROE	5.73%
CLARK	5.73%
ADAIR	5.60%
SCOTLAND	5.48%

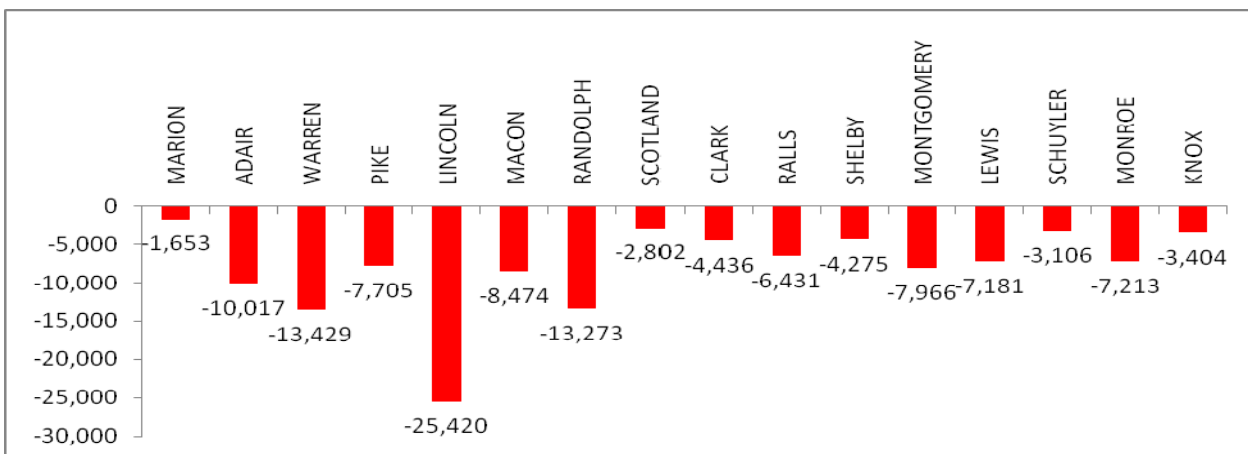
Source: Missouri Department of Revenue – Sales Tax Rate Tables

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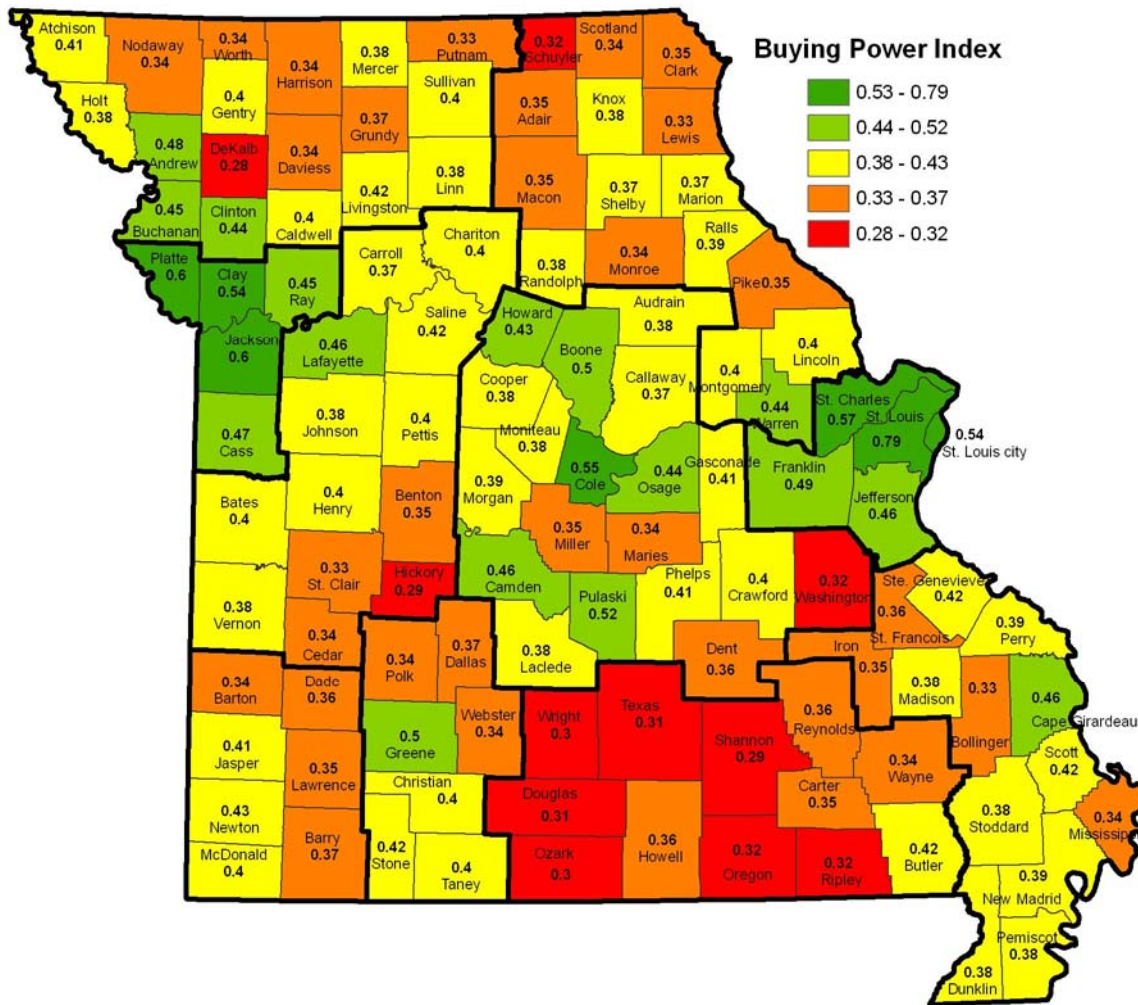
Commuting Patterns of Retail Customers



Retail customers travel across county borders to purchase goods and services. The map above illustrates the number of retail customers either coming in to a county or leaving a county for retail purchases. In the Northeast region as shown in the graph below, all the counties display a net out-commuting pattern. Lincoln County lost the most retail customers (25,420), while Marion County (1,653) lost the least.



Buying Power Index



The buying power index is a measure of the capability of the retail customers living in that county to buy retail goods. The higher the index, the greater the ability to buy retail goods and support retail activity in the region. In Northeast region, the buying power of retail customers in Warren County is relatively higher than the rest of the counties in the region. The buying power of retail customers in Schuyler, Scotland, Clark, Adair, Lewis, Macon, Monroe and Pike are relatively lower than the rest of the counties in the region.

The buying power index is calculated by the following equation:

$$BPI = \frac{(2 * \text{Population } \%) + (3 * \text{Retail Sales } \%) + (5 * \text{Per capita income } \%)}{10 (\text{sum of the weights})}$$

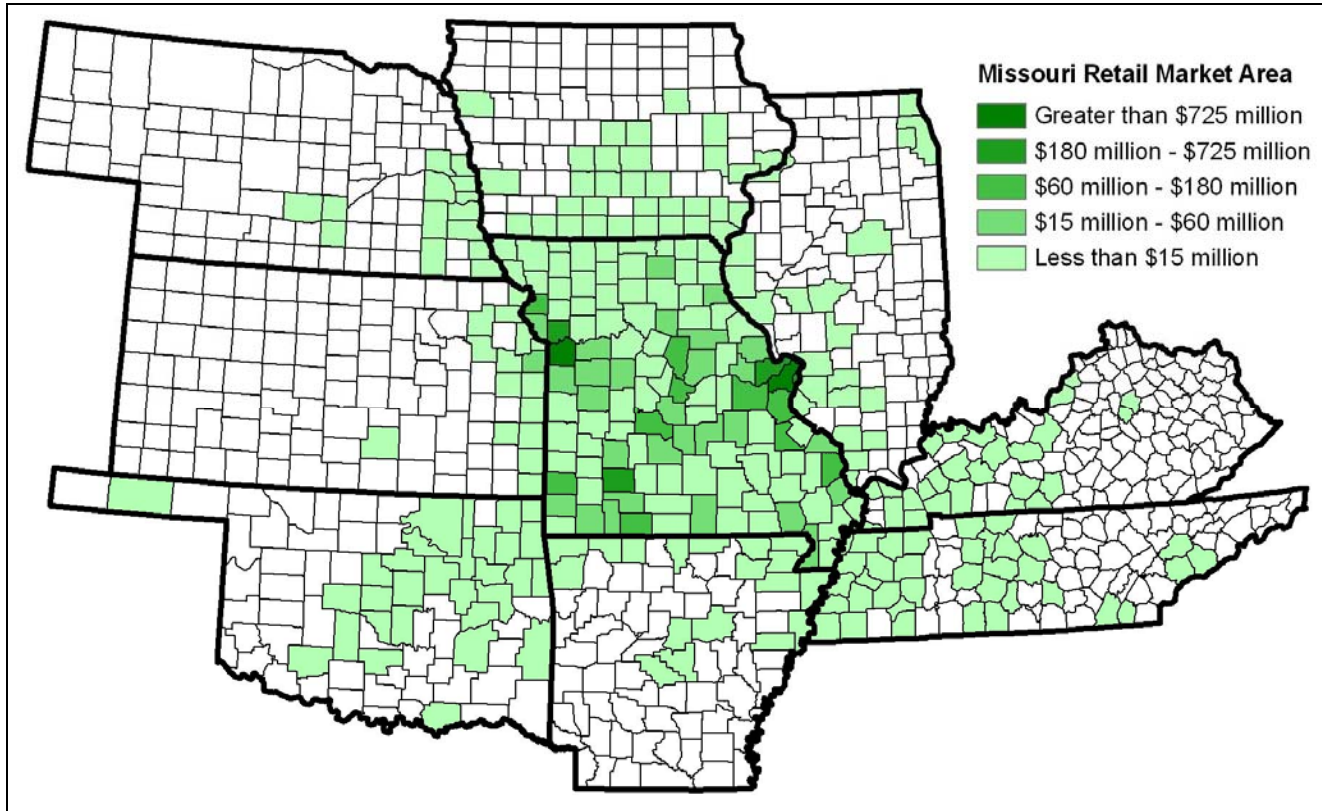
Where Population % is the percentage of county population to that of the State of Missouri.

Retail Sales % is the percentage of retail sales in the county to that of the State of Missouri.

Per capita income % is the percentage of per capita income in the county to that of the State of Missouri.

Retail Market Area

Missouri Retail Market Area



Source: Minnesota IMPLAN Group, Commodity Trade Flows, 2006.

The map above shows the retail market area from which retail stores in Missouri purchase apparel, furniture, general merchandise and miscellaneous retail goods.

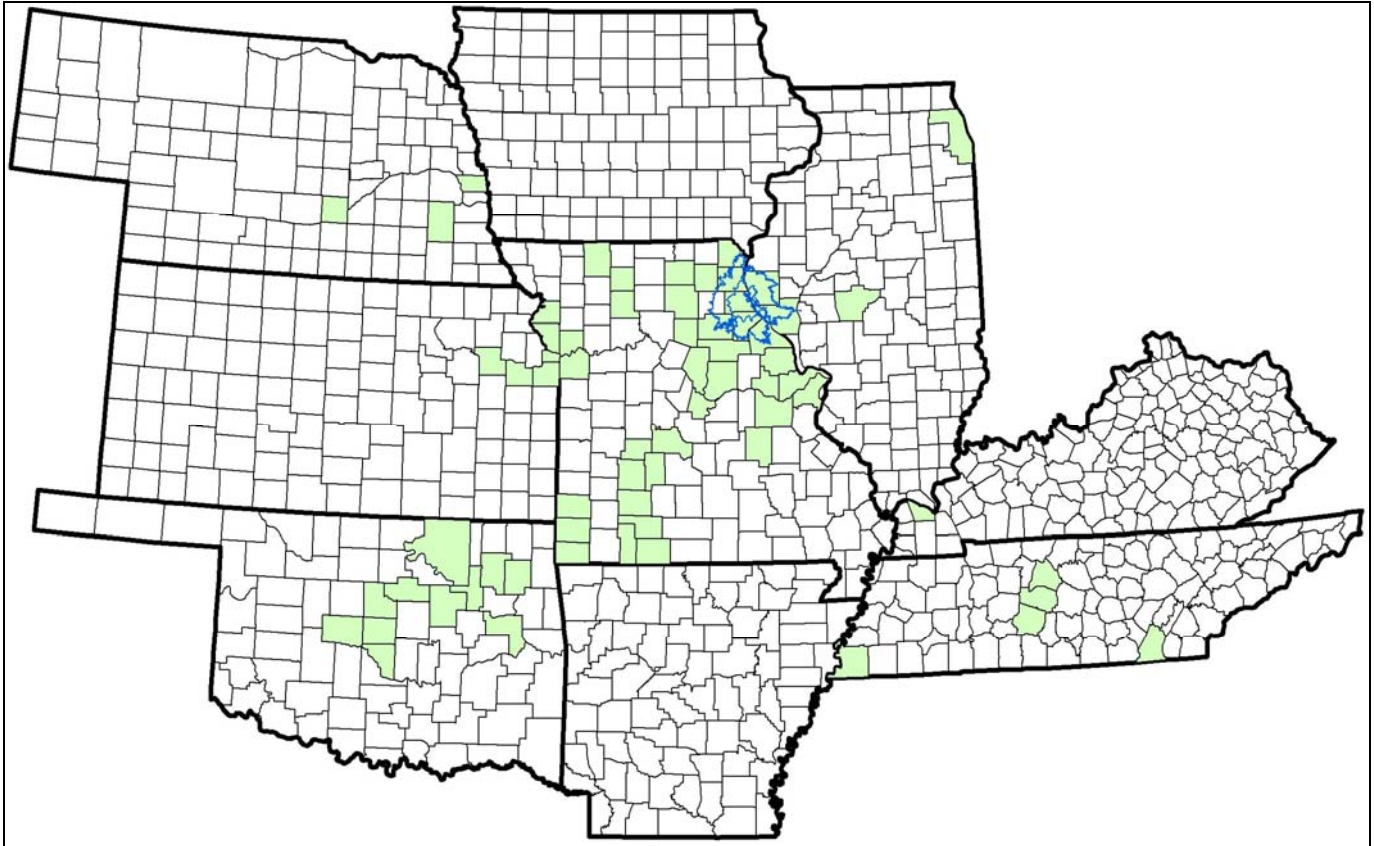
In 2007, Missouri retailers imported retail goods valued over \$5.8 billion in apparel, furniture, general merchandise and miscellaneous retail goods. The Missouri retail market includes all of Missouri and extends to all surrounding states. The volume and value of imports to major metropolitan areas like Kansas City, St. Louis, Springfield, and St. Joseph were relatively higher than the rest of Missouri.

While the market area for general merchandise and miscellaneous retail was relatively widespread, the market area for apparel and furniture was relatively limited.

Within the Northeast region, a majority of Missouri retail goods were purchased by retail stores and customers in Marion County.

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Marion County Retail Market Area



Source: Minnesota IMPLAN Group, Commodity Trade Flows, 2006.

Marion County has the highest pull factor in the Northeast region. The map above shows the retail market area for Marion County from which retail customers and stores purchase apparel, furniture, general merchandise and miscellaneous retail goods.

In 2007, Marion County retail customers predominantly resided in Marion, Greene, Taney, Jasper, McDonald and Randolph Counties. With the exception of Iowa and Arkansas, retail purchases were made from all the surrounding states. The blue boundary indicates the local market from which customers purchase retail goods and services within an hour of driving distance from Palmyra.

